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THE TROPICAL FOREST CONSERVATION ACT OF 1998

Mr. BIDEN. Mr. President, I am pleased to join today with my good friend, the distinguished senior Senator from Indiana, to introduce important legislation that will benefit all Americans by helping-- in important ways--both our global environment and our global economy.

I first became interested in this issue almost ten years ago, when the world's attention was focused on an international debt crisis, much of it centered in Latin American countries. At that same time, we were beginning to understand the crucial role that tropical rainforests--all over the world--play in our own lives here in the United States.

Tropical rainforests are among the most complex and fundamental components of our planet's ecology. These natural wonders affect the global climate through their influence on rainfall patterns, which in turn makes them the sources of some of the world's greatest rivers, which in its turn affects farmlands and coastal fisheries all over the world.

Tropical rainforests are also the richest environments for all forms of life--they harbor the greatest biodiversity of any ecosystem. With increasing frequency, we find there the chemicals that go into new medicines, more robust food crops, and other direct economic applications of the rainforests' riches.

We may picture rainforests as among the most primitive environments--with climate and wildlife left over from the beginnings of time. But it is only now, with the accelerating integration of the global economy and the realization that burning fossil fuels can alter our planet's weather, that we recognize that

rainforests must be preserved if we want to protect our modern way of life.

The accumulation of over one hundred years of man-made greenhouse gases from the industrial world is now joined by the increasing emissions of industrializing nations, accelerating the threat of global climate change. Rainforests absorb the carbon dioxide that can change our climate, and that would change every assumption we have about how what our future will be.

But these crucially important rainforests are under increasing threat from fundamental trends in our international economy. As the nations whose borders contain important rainforests take their place in the world market, they face increasing incentives to turn their rainforests into cash crops--cutting them for lumber, clearing them for croplands--trading the long-term global benefits of rainforests for short-term needs.

Not just the lumber and agricultural markets offer short-term local gains in exchange for long-term global costs. The explosion of international capital flows has brought the benefits and dangers of debt to many nations with rainforests. To manage debt owed to nations such as the United States, these nations turn to their rainforests for quick cash. However appropriate their borrowing may be--who among us here does not use debt to finance a house, a car, an education?--that choice has consequences for the whole planet.

So we have the convergence of two important global trends--the cutting of rainforests, and the spread of

international debt.

Ten years ago, when these trends were at a much earlier stage, I brought the idea of debt-for-nature swaps to Senator Lugar, who agreed that we faced a classic public policy problem: short-term, local incentives to engage in behavior that has long-term, global costs. That is why we introduced the first legislation that facilitated debt-for-nature swaps. That legislation was signed into law in 1989.

The following year, we made debt-for-nature swaps part of President Bush's Enterprise for the Americas Act. Since then, \$154 million in developing country debt has been restructured into environmental protection programs in Latin America.

The legislation I am introducing here today, with Senator Lugar, Senator Chafee, Senator Leahy, and my other distinguished colleagues, will expand the techniques of debt-for-nature exchanges to meet a wider variety of financial situations, and will include qualified countries in every part of the world.

In essence, we arrange for the repayment of sovereign debt owed by qualified countries to the United States, in exchange for their commitment to use the savings to establish local trust funds to protect their rainforests. We gain the environmental protection that would otherwise not occur, they reduce their

foreign exchange and debt burdens. It's a classic win-win deal.

Two of the options allow us to transform debt owed to the United States into funds to protect the world's rainforests at no cost to the Treasury. The third option, for the poorest nations of the world, provides funds to subsidize the debt exchange--and the rainforest protection--that they could not otherwise afford.

As we watch with concern the developments in Asia, Mr. President, we see the importance of far-sighted, creative debt management programs for developing economies. The accumulation of unmanageable debt burdens threatens both the stability of the international economy and the health of our planet's ecology.

At the margin, but in important ways, the legislation we are introducing today addresses both of those concerns, and weakens the link between the burden of developing country debt and the wasting of our rainforests.

I am pleased to see that the House companion to this legislation is already moving in the International Relations Committee. I look forward to working with Senator Lugar and all my colleagues on both sides of the aisle here in the Senate.